

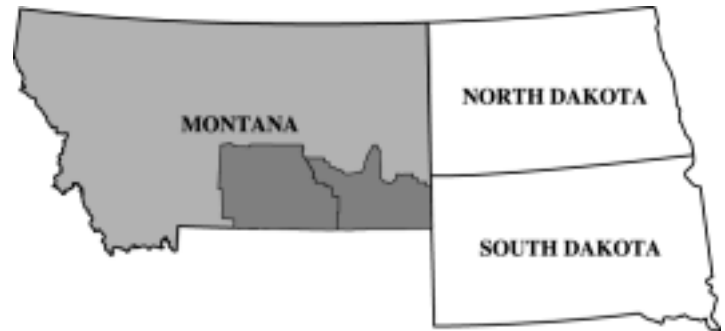


October 2001

Coal Bed Methane Development

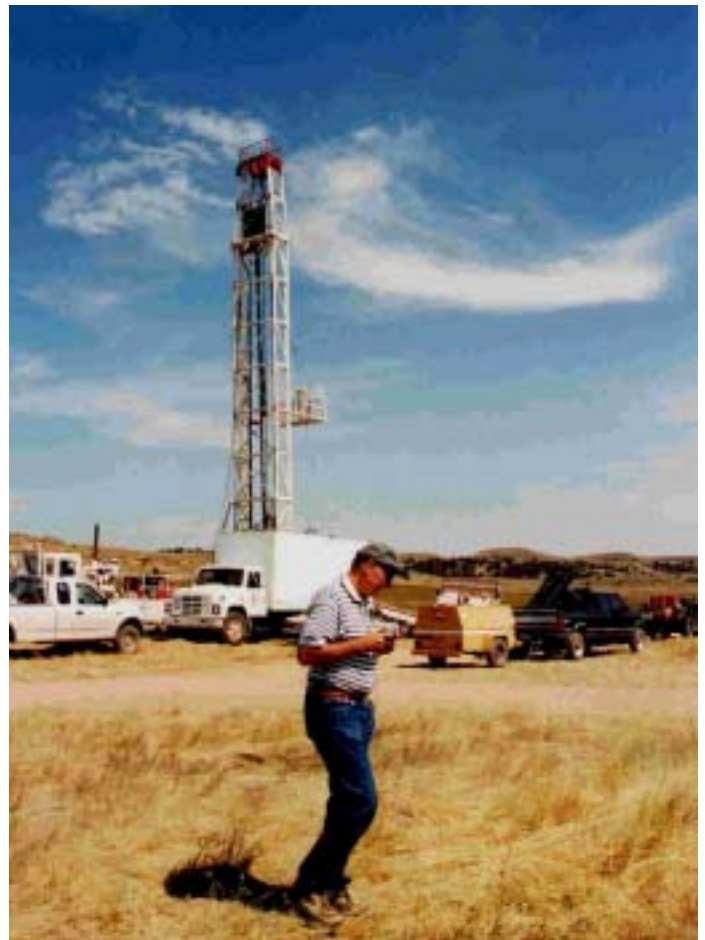
WHERE ARE WE NOW?

- The coal bed methane industry is interested in coal bed methane development in southeastern and south-central Montana.
- In order to analyze conventional oil and gas and full field coal bed methane development, BLM and the state of Montana are preparing a joint environmental impact statement (EIS) and resource management plan (RMP) amendment.
- The scoping period for the EIS ended January 31, 2001.
- BLM plans to release a Draft EIS for a 90-day public review in December 2001 and anticipates a final in summer 2002.



HOW DID WE GET HERE?

- BLM RMPs dating from the mid-1990s support conventional oil and gas development and limited coal bed methane exploration and production.
- In November 2000, BLM officials determined that coal bed methane development would result in significant impacts that could not be mitigated, so the Bureau began working on an EIS and RMP amendment to analyze reasonably foreseeable coal bed methane development.
- A lawsuit filed against the Montana Board of Oil and Gas Conservation requires the state of Montana to prepare a comprehensive EIS to analyze coal bed methane development.
- In Montana, there are no producing federal coal bed methane wells, but there are about 200 producing coal bed methane wells under private and state ownership.



Typical coal bed methane drilling rig.

WHAT NEEDS TO BE DONE?

- BLM and the state of Montana are working on a reasonable foreseeable development scenario in order to analyze the increased interest in oil and gas activity for the RMP amendment and EIS.
- BLM's purpose for the EIS/amendment is to analyze impacts in the Billings and Powder River RMP areas from oil and gas development (particularly from coal bed methane exploration), production and reclamation.
- Montana's purpose is to analyze statewide effects of further permit applications for oil and gas development, particularly coal bed methane.
- The Powder River RMP area encompasses about 2,522,950 BLM-administered oil and gas acres.
- The Billings RMP area encompasses about 662,066 BLM-administered oil and gas acres in the south-central portion of Montana.
- The state of Montana's planning area is statewide with emphasis on the BLM planning area and three areas in Blaine, Park and Gallatin counties.
- The Bureau of Indian Affairs agreed to become a partner on January 22, 2001.



WHO ELSE IS CONCERNED?

- There is a high level of regional interest in coal bed methane production.
- In January, more than 300 people attended five public scoping meetings in Miles City, Billings, Ashland, Broadus and Helena.
- State legislation.
- BLM and the state of Montana have invited the Northern Cheyenne and Crow tribes to become

